SENATOR MITCH McCONNELL CHAIRMAN

STEVEN J. LAW EXECUTIVE DIRECTOR

October 27, 1998

Commissioners Federal Election Commission 999 E Street, N.W. Washington, DC 20463

RE: MUR 4822 - Second Amendment to October 15, 1998 complaint against:

Friends for Harry Reid Mr. Paul Eisenberg, Treasurer 116 Princeton Street Las Vegas, NV 89107 ("Respondent")

## **Dear Commissioners:**

This letter is a second amendment to the National Republican Senatorial Committee's October 15, 1998 complaint, MUR 4822, against Respondent for failure to itemize disbursements. Yet again Respondent has failed to comply with the reporting requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et.seq (the "Act"). Respondent's Twelve Day Pre-General Report filed October 22, 1998 conceals another \$25,731.70 of disbursements to unknown entities and individuals. (Attached). The continuing reporting violation by Respondent now totals \$316,737.86.

Throughout 1997 Respondent correctly itemized and reported their payroll disbursements. This evidences the fact that Respondent was fully aware of their reporting obligations. But in 1998, Respondent decided to report in a manner which violates the Act.

Under the requirements of the Act Respondent received the compliant in MUR 4822 on October 20, 1998, two days before their Twelve Day Pre-General Report. 2 U.S.C. §437g(a)(1). Respondent chose to ignore this notice and continued to report in violation of the Act in their latest filing.

The Democratic Senatorial Campaign Committee, the national party committee of which Senator Reid is a member, is aware of the Commission's reporting requirements and sought similar enforcement of these provisions in 1996. (See MUR 4467 attached). In that case, the Commission found reason to believe that a violation of the Act occurred. The Commission took no further action on the basis that correcting amendments were mailed on the same day the party received the complaint. Presumably the DSCC works with its members to ensure their compliance with the laws that they seek to enforce against other

parties. In the case at bar, Respondent has not, even when put on notice, amended their reports or changed their reporting practice.

These violations are not isolated incidents or merely an oversight. These violations are the result of a conscious decision not to comply with the reporting requirements of the Act. Respondent's actions as set forth above evidence that they have knowingly and willfully acted in violation of the Act triggering the penalty provisions of 2 U.S.C. §437g(d) and §437g(a)(5)(B) and (C) and possibly a referral to the Attorney General.

I urge the Commission to take swift action to quell the continuing injury to the public's interest and to protect their legal right to obtain accurate and complete information.

Respectfully submitted,

Steven J. Law, Executive Director

National Republican Senatorial Committee

425 2<sup>nd</sup> Street, N.E.

Washington, DC 20002

City of:

State of:

SUBSCRIBED AND SWORN to before me this 27th day of 1998.

**Notary Public** 

My Commission Expires:

My Commission Expires June 14, 2002

REPORT OF RECEIPTS AND DISBURSEMENTS ETHAY OF THE SENAT For An Authorized Committee 424. NAME OF COMMITTEE (in full) (Summary Page) Friends for Harry Reid 2. FEC IDENTIFICATION NUMBER ADDRESS (number and street) Check if different than previously reported. C00204370 116 Princeton Street 3. IS THIS REPORT AN AMENDMENT? CITY, STATE and ZIP CODE STATE/DISTRICT X NO Las Vegas, NV 89107 YES 4. TYPE OF REPORT General Twelfth day report preceding April 15 Quarterly Report (Type of Election) 11/03/98 NV election on in the State of July 15 Quarterly Report Thirtieth day report following the General Election on October 15 Quarterly Report in the State of January 31 Year End Report Mi July 31 Mid-Year Report (Non-election Year Only) **Termination Report** This report contains **Primary Election** General Election Special Election Runoff Election activity for SUMMARY **COLUMN A COLUMN B** 10/01/98 10/14/98 **Covering Period** through This Period Calendar Year-to-date 6. Net Contributions (other than loans) \$147078.46 \$2273280.86 (a) Total Contributions(other than loans) (from Line 11(e)) \$13600.00 \$0.00 (b) Total Contribution Refunds (From Line 20(d)) \$147078.46 \$2259680.86 (c) Net Contributions (other than loans)(subtract Line 6(b) from 6(a)) Net Operating Expenditures \$528355.36 **\$3805537.5**4 (a) Total Operating Expenditures (from Line 17) \$1035.18 \$2571.82 (b) Total Offsets to Operating Expenditures (from Line 14) \$527320.18 \$3802965.72 (c) Net Operating Expenditures (Subtract Line 7(b) from 7(a)) For further information: \$267688.50 Cash on Hand at Close of Reporting Period (from Line 27) Federal Election Commission Debts and Obligations Owed TO the Committee 999 E Street, NW \$0.00 (Itemize all on Schedule C and/or Schedule D) Washington, DC 20463 Toll Free 800-424-9530 Debts and Obligations Owed BY the Committee 00.02 Local 202-219-3420 (itemize all on Schedule C and/or Schedule D) I certify that I have exemined this Report and to the best of my knowledge and besef it is true, correct and complete.

Type or Print Name of Treasurer Paul Eisenberg

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Signature of Treasurer -

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to penalties of 2 U.S.C. §437g.

FEC FORM 3

(Revised 4/87)

| Name of Committee (in full) Friends for Harry Reid  | Report Covering the Period:<br>From: 10/01/98 | To: 10/14/98                   |  |
|---|---|--------------------------------|--|
| I. RECEIPTS   | Column A<br>Total This Period                 | Column 8 Calendar Year-To-Date |  |
| 11. CONTRIBUTIONS (other than loans) FROM:  (a) Individuals/Persons Other Than Political Committees | \$52150.00                                    |                                |  |
| (i) Itemized (Use Schedule A)  (ii) Unitemized  | \$2808.00                                     |                                |  |
| (iii) Total of contributions from individual  | \$65058.00                                    | \$1596999.46                   |  |
| (b) Political Party Committees  | \$50.00                                       | \$50.00                        |  |
| (c) Other Political Committees (such as PACs)   | · \$81970.46                                  | \$874231.40                    |  |
| (d) The Candidate   | \$0.00  | \$2000.00                      |  |
| (e) TOTAL CONTRIBUTIONS (other than loans)(add 11(a)(iii), (b), (c) and (d))                        | \$147078.46                                   | \$2273280.86                   |  |
| 12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES  | \$0.00  | \$6203.62                      |  |
| 13. LOANS:  |   |                                |  |
| (a) Made or Guaranteed by the Candidate   | \$0.00  | \$0.00                         |  |
| (b) All Other Loans   | \$0.00  | \$0.00                         |  |
| (c) TOTAL LOANS (add 13(a) and (b))   | \$0.00  | \$0.00                         |  |
| 14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)                                      | \$1035.18                                     | \$2571.82                      |  |
| 15. OTHER RECEIPTS (Dividends, Interest, etc.)  | \$2500.00                                     | \$47326.11                     |  |
| 16. TOTAL RECEIPTS (add 11(e), 12, 13(c), 14 and 15)  | \$150613.64                                   | \$2329382.61                   |  |
| II. DISBURSEMENTS   | i i   |                                |  |
| 17. OPERATING EXPENDITURES  | \$528355.36                                   | \$3805537.54                   |  |
| 18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES  | \$0.00  | \$0.00                         |  |
| 19. LOAN REPAYMENTS:  |   |                                |  |
| (a) Of Loans.Made or Guaranteed by the Candidate  | \$0.00  | \$0.00                         |  |
| (b) Of All Other Loans  | \$0.00  | \$0.00                         |  |
| (c) TOTAL LOAN REPAYMENTS (add 19(a) and (b))   | \$0.00  | \$0.00                         |  |
| 20. REFUNDS OF CONTRIBUTIONS TO:  | 60.00   | \$12800.00                     |  |
| (a) Individuals/Persons Other Than Political Committees   | \$0.00<br>\$0.00                              | \$0.00                         |  |
| (b) Political Party Committees (c) Other Political Committees (such as PACs)                        | \$0.00  | \$600.00                       |  |
| (d) TOTAL CONTRIBUTION REFUNDS (add 20(a), (b) and (c)  | \$0.00  | \$13300.00                     |  |
| 21 OTHER DISBURSEMENTS  |   | \$1950.26                      |  |
| 22. TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21)   | \$0.00  |                                |  |
| III. CASH SUMMARY   | \$528355.38                                   | \$3821087.60                   |  |
|   |   | \$645410.22                    |  |
| 3. CASH ON HAND AT BEGINNING OF REPORTING PERIOD  |   |                                |  |
| 24. TOTAL RECEIPTS THIS PERIOD (from Line 16)   |   | \$150613.64                    |  |
| 25. SUBTOTAL (add Line 23 and Line 24)  |   | \$796023.88                    |  |
| 6. TOTAL DISBURSEMENTS THIS PERIOD (from Line 16)   |   | \$528355.36                    |  |
| 7. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from                             | 25)   | \$267668.50                    |  |

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| ME OF COMMITTEE (In Full)               |  |                            |                                |
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| Full Name, Mailing Address and Zip Code | Purpose of Diabursement  | Date (month,<br>day, year) | Amount of Each<br>Disbursement |
| Americana Commercial                    | office rent  |                            | This Period<br>\$675.0         |
| 3790 S. Paradise Road                   |  | 10/01/98                   | 3673.0                         |
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| Las Vegas, NV 89109-                    | The same services  |                            |                                |
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| Bank of America                         | paytott attect acposit   | 10/01/98                   | This Period<br>\$25731.7       |
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| 1925 Century Park East                  |  | 10/12/98                   | \$17795.0                      |
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| os Angeles, CA 90067-                   | Language rate my traint M mustar   |                            |                                |

SUBTOTAL of Disbursements This Page (optional)

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